

WHAT IS CLAIMED IS:

- 1 1. A method of evaluating an application for a financial product, the
2 method comprising:
3 receiving application data;
4 calculating, based at least in part on said application data, expected
5 loss data; and
6 calculating, based at least in part on said expected loss data, a return
7 on investment for said application.
- 1 2. The method of claim 1, further comprising:
2 making an application approval decision based on said return on
3 investment.
- 1 3. The method of claim 2, wherein said making an application approval
2 decision further comprises:
3 comparing said return on investment with an expected return on
4 investment.
- 1 4. The method of claim 1, wherein said application data includes at least
2 one of a collateral identifier, credit related information, and payment
3 information.
- 1 5. The method of claim 1, wherein said calculating expected loss data
2 comprises:
3 executing an account level loss forecast model;
4 executing a termination event model; and
5 calculating expected loss data in response to the execution of the
6 account level loss forecast model and the execution of the termination event
7 model.

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1 18. A method of evaluating an application for a financial product for which
2 at least one price tier has been established, the method comprising:
3 receiving application data;
4 executing a risk model to compute a credit risk for said application
5 data;
6 assigning said credit risk to a price tier; generating probabilities of one
7 or more termination events occurring before an expiration of said financial
8 product to form one or more termination scenarios;
9 forecasting the severity of loss of said termination scenarios;
10 calculating, based at least in part on said severity of loss of said
11 termination scenarios, a return on investment (ROI) for said application; and
12 approving said application if said calculated ROI is within an expected
13 ROI threshold.

1 19. An apparatus for evaluating an application for a financial product, the
2 apparatus comprising:
3 a processor;
4 a communication device, coupled to said processor, receiving
5 application data from at least a first user device; and
6 a storage device in communication with said processor and storing
7 instructions adapted to be executed by said processor to:
8 calculate, based at least in part on said application data, expected loss
9 data; and
10 calculate, based at least in part on said expected loss data, a return on
11 investment (ROI) for said application.

1 20. The apparatus of claim 18, said storage device further storing instructions
2 adapted to be executed by said processor to:
3 make an application approval decision based on said calculated ROI.

1 21. A system for evaluating an application for a financial product for which
2 at least one price tier has been established, the system comprising:
3 at least a first user device having
4 a processor;
5 a communication device, coupled to said processor, configured
6 to send and receive data over a network; and
7 a storage device in communication with said processor and
8 storing instructions adapted to be executed by said processor to
9 receive application data; and
10 forward said application data to an at least first lender device said at
11 least first lender device having
12 a second processor,
13 a second communication device, coupled to said second
14 processor, configured to send and receive data over said network and
15 to receive said application data; and
16 a second storage device in communication with said second
17 processor and storing instructions adapted to be executed by said
18 second processor to
19 execute a risk model to compute a credit risk for said
20 application data;
21 assign said credit risk to a price tier;
22 generate probabilities of one or more termination events
23 occurring before an expiration of said financial product to form
24 one or more termination scenarios;
25 forecast the severity of loss of said termination scenarios;
26 calculate, based at least in part on said severity of loss of said
27 termination scenarios, a return on investment (ROI) for said
28 application; and
29 approve said application if said calculated ROI is within an
30 expected ROI threshold.

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TOTAL

1 22. A computer program product in a computer readable medium for
2 evaluating an application for a financial product, comprising:
3 first instructions for receiving application data;
4 second instructions for calculating, based at least in part on said
5 application data, expected loss data;
6 third instructions for calculating, based at least in part on said expected
7 loss data, a return on investment (ROI) for said application; and
8 fourth instructions for approving said application if said calculated ROI is
9 within an expected ROI range for said financial product.

2 23. A system for evaluating an application for a financial product, the system
3 comprising:
4 means for receiving application data;
5 means for calculating, based at least in part on said application data,
6 expected loss data; and
7 means for calculating, based at least in part on said expected loss data, a
8 return on investment for said application.

1 24. The system of claim 23, further comprising means for comparing said
2 return on investment with an expected return on investment; and means for
3 making an application approval decision based on said return on investment.